Richard R. Cameron
Direct Dial: (202) 637-2225
richard.cameron@lw.com

LATHAM & WATKINS LLP

555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004-1304
Tel: (202) 637-2200 Fax: (202) 637-2201
www.lw.com

February 21, 2007

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Petition of Hawaiian Telcom, Inc., for Waiver of Sections 43.21(g) and 43.21(j) of the Commission's Rules, 47 C.F.R. §§ 43.21(g) and 43.21(j)

Dear Ms. Dortch:

Hawaiian Telcom, Inc., through its attorneys, hereby submits the above-referenced Petition for Waiver. As required by the Commission's rules, enclosed are an original and four copies of the Petition, FCC Form 159, and the requisite fee of $7365.00

Please stamp and return to me the additional copy provided for that purpose. Please direct any questions concerning this matter to me at (202) 637-2225.

Very truly yours,

Richard Cameron

Richard R. Cameron

Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Petition of Hawaiian Telcom, Inc. for Waiver of Sections 43.21(g) and 43.21(j) of the Commission's Rules, 47 C.F.R. §§ 43.21(g) and 43.21(j)	File No. ____________________

Petition for Waiver

Hawaiian Telcom, Inc. ("Hawaiian Telcom"), through its attorneys, hereby requests a waiver of (1) Section 43.21(g) of the Commission's rules, 47 C.F.R. § 43.21(g), as it relates to Hawaiian Telcom's 2006 and 2007 Automated Reporting Management Information System (ARMIS) Reports 43-05, relating to network measures of service quality, which otherwise will be due on April 1, 2007 and 2008, respectively; and (2) Section 43.21(j) of the Commission's rules, as it relates to Hawaiian Telcom's 2007 ARMIS Report 43-08, relating to network growth, usage, and reliability, which otherwise will be due on April 1, 2008. For the reasons discussed below, the 2006 and 2007 data required to complete these reports will be unavailable to Hawaiian Telcom. Therefore, Hawaiian Telcom requests a waiver of these filing requirements.

Background

On May 2, 2005, Verizon Communications ("Verizon") closed the sale of Verizon Hawaii Inc. and certain related assets to The Carlyle Group, and the company was renamed Hawaiian Telcom. Under the terms of the agreement with Verizon, however, certain assets and services located outside Hawaii that were formerly available to the company from Verizon affiliates, were excluded from the sale, including key customer service and business support systems. Under Verizon's prior ownership, Verizon had centralized most of these systems, including ordering, provisioning, billing, customer service, service and repair management (such as creation and management of trouble reports), and data collection required to complete ARMIS reports, on the mainland for its operations nationwide.

After the sale closed, Hawaiian Telcom needed to implement replacement systems to perform these functions. In order to operate the company in the interim, Hawaiian Telcom entered into a Transition Services Agreement ("TSA") with Verizon, under which Verizon continued to handle various functions for Hawaiian Telcom until March 31, 2006. Part of the intent of the TSA was to ensure that these carrier needs would be met while Hawaiian Telcom created replacement systems. To assist with this effort, Hawaiian Telcom engaged BearingPoint, Inc. ("BearingPoint") to design and implement the requisite replacement systems.

The transition from Verizon's systems to the new BearingPoint-designed systems at the end of March, 2006 did not go smoothly. As has been widely reported in the press, *see* **Attachment 1** (representative press clippings), critical BearingPoint-designed systems related to customer care, order management, billing and data collection necessary for various reporting obligations lacked significant functionality, leading to problems with ordering, provisioning, billing and collection. As Hawaiian Telcom explained in its most recent 10-Q filing with the Securities and Exchange Commission:

> "BearingPoint committed to complete the majority of the "build services" by the end of the initial nine-month transition period ending on February 1, 2006, which transition period was subsequently extended to February 4, 2006. In December 2005, to accommodate BearingPoint's need for additional time to build the back-office and IT infrastructure, we extended the Transition Services Agreement with Verizon for an additional two-month period through March 31, 2006 . . . .
>
> "On April 1, 2006, we ceased receiving services from Verizon under the Transition Services Agreement and the Verizon Master Services Agreement and stopped making payments to Verizon under those agreements. While the

> major network operational systems were built and functioned without significant problems at and after the April 1, 2006 cutover date, critical systems related to back-office functions such as customer care, order management, billing and financial reporting systems lacked, and continue to lack, significant functionality. In particular, lack of full BearingPoint system functionality has led to collection treatment delays, physical bill delivery problems and order flow-through issues, which continue to substantially impact both customer satisfaction (as evidenced by large increases in the customer call volumes at our work centers) and collection efforts. Despite BearingPoint's efforts to enhance the functionality of the related systems, we continued to experience many of these same issues through the end of the three-month period ending September 30, 2006. Because BearingPoint was unable to deliver the expected full system functionality by the April 1, 2006 cutover date and has continued to be unable to deliver full functionality, it has been necessary for us to incur significant incremental expenses to retain third-party service providers to provide call center services and other manual processing services in order to operate our business."[1]

These shortcomings therefore affected not only Hawaiian Telcom's ability to collect ARMIS-related data, but also its basic ability to bill its customers, collect revenue for services provided, and process payments. As a result, Hawaiian Telcom was (and remains) highly motivated to resolve these issues expeditiously.

In the wake of the March 31, 2006 transition from Verizon's systems, and because the new, automated systems were not functioning properly, Hawaiian Telcom processed new service orders, as well as service and repair requests, using a combination of manual orders and tickets using paper forms and web-based data gathering processes, with a team of customer service representatives, management and other personnel, and third-party temporary call center service providers. BearingPoint and Hawaiian Telcom worked steadily throughout most of the remainder of 2006 to improve the functionality of the new systems. These efforts presented numerous challenges.

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1 Hawaiian Telcom Communications, Inc., Quarterly Report (Form 10-Q), at 19 (Nov. 14, 2006).

On February 8, 2007, Hawaiian Telcom announced that it had entered into a Settlement Agreement with BearingPoint, under which Hawaiian Telcom will receive a substantial monetary settlement, and a Transition Agreement, under which the remaining work on Hawaiian Telcom's customer service and business support systems will be transitioned to Accenture LLP ("Accenture") during a transition period to run through May 2, 2007, *see* **Attachment 2** (excerpts from Hawaiian Telcom Communications, Inc., Current Report (Form 8-K) (Feb. 8, 2007)).

Hawaiian Telcom previously engaged Accenture in August 2006 to assist with systems recovery, which will now permit Accenture to quickly assume responsibility for the completion of Hawaiian Telcom's systems build-out, continued recovery of existing systems, and ongoing systems development and maintenance. Nevertheless, the contract is scheduled to run for 17 months, to address recovery work and ongoing systems maintenance. Thus, in addition to its lack of adequate 2006 data (used in ARMIS reports to be filed April 1, 2007), Hawaiian Telcom currently anticipates that it will not have adequate data for any meaningful portion of 2007 to complete the ARMIS 43-05 or 43-08 Reports due April 1, 2008.

Discussion

Section 1.3 of the Commission's rules permits the Commission to waive any of its rules "for good cause shown," 47 C.F.R. § 1.3. The Commission may waive its rules when particular facts make strict compliance inconsistent with the public interest and, in making this determination, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.[2] In granting a waiver,

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[2] *Sandwich Isles Communications, Inc. Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary and Sections 36.611, and 69.2(hh) of the*

the Commission generally must determine, therefore: (1) that special circumstances warrant a deviation from the general rule; and (2) that such deviation will serve the public interest.[3]

Hawaiian Telcom's request meets both prongs of this test. *First*, special circumstances certainly warrant a deviation from the general rule in this case. The difficulties Hawaiian Telcom faces in complying with Section 43.21(g) all stem from its efforts to create a standalone carrier from the Hawaii assets it purchased from Verizon in 2005. While the sale included network infrastructure located in Hawaii, it did not include the majority of the systems necessary to support the providing of telecommunications services to customers using that infrastructure.

After the sale closed, Hawaiian Telcom replicated these functions using a two-step approach. As an interim solution, it entered into the TSA so that Verizon would continue to handle these functions under contract for Hawaiian Telcom until Hawaiian Telcom could replicate the functionality. As a permanent solution, Hawaiian Telcom contracted with BearingPoint to design and implement replacement systems. It serves the public interest for Hawaiian Telcom's systems and functions, including ordering, provisioning, management of service and repair activities, billing and collection, to have a local, Hawaii focus. Indeed, the sale by Verizon marked the first time since GTE's purchase of Hawaiian Telephone Company in 1967 that the company has operated independently with a local focus.

Nevertheless, the process of creating a truly standalone local telephone company from the Hawaii infrastructure sold by Verizon has not gone smoothly or according to plan and, as a result, Hawaiian Telcom does not have reliable data for any portion of 2006 with which it

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Commission's Rules, CC Docket No. 96-45, Order, DA 05-1355, 20 FCC Rcd 8999 (Wir. Comp. Bur. 2005), at para. 8.

3 *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*citing WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969)).

can complete the ARMIS 43-05 Report. Through March 31, 2006, Verizon continued to provide support to Hawaiian Telcom, and while it provided Hawaiian Telcom with some raw data from that period, it was not compatible with the new, BearingPoint reporting systems. Further compounding the problems, BearingPoint did not complete the development and deployment of replacement systems that could gather the data necessary to complete the carrier's ARMIS reports. As a result, beginning April 1, 2006, Hawaiian Telcom was forced to operate using manual orders and tickets using paper forms and web-based data gathering processes, with customer service representatives, a variety of company management personnel, and temporary and third-party call center employees. These records are not filled out consistently or, in many cases, completely since the priority was (and remains) to provide service to the customer while minimizing wait times. Thus, even putting aside the tremendous effort that would be required to extract the required data from these documents, in many cases the data simply do not exist.

Hawaiian Telcom is mindful of its ARMIS responsibilities, and takes its regulatory reporting obligations seriously. In this case, however, the necessary data simply do not exist and cannot adequately be generated. In an attempt to remedy this situation as quickly as possible, Hawaiian Telcom has recently entered into a series of agreements to transition completion of the systems that will support its ARMIS responsibilities to Accenture, which will complete the development and deployment of its new systems.

Unfortunately, Hawaiian Telcom anticipates that these problems will have a continuing impact on its ability to complete its 2007 ARMIS 43-05 and 43-08 Reports, which will be due April 1, 2008. Because of the demands of transitioning the work to a new vendor, and the scope of the work remaining, the Accenture contract is scheduled to run for 17 months, beginning in February, 2007. Thus, the recovery work will consume a substantial portion of

2007 and, as a result, Hawaiian Telcom currently does not anticipate that it will have access to adequate data necessary to complete either its ARMIS 43-05 Report due April 1, 2007, or its ARMIS 43-05 and 43-08 Reports due April 1, 2008.

Second, the public interest will best be served by the grant of this waiver. It is in the public interest for carriers to submit only complete, accurate, and reliable data for inclusion in the ARMIS database. Unfortunately, Hawaiian Telcom cannot supply such data. As such, it would better serve the public interest to permit Hawaiian Telcom to focus its limited resources on development and deployment of a reliable systems that can collect accurate ARMIS data for the future, than it would to require it to submit 2006 or 2007 ARMIS 43-05 Reports and 2007 ARMIS 43-08 Reports that contain incomplete and/or unreliable data. Such a report would not provide an accurate picture of Hawaiian Telcom's actual service quality and could result in a wide variety of public interest harms, including (1) undermining confidence in Hawaiian Telcom's service quality unnecessarily; (2) skewing future statistical analyses based on ARMIS data to the extent researchers relied on the data Hawaiian Telcom's report would contain; and (3) diverting resources away from Hawaiian Telcom's efforts to deploy its new systems and maintain and improve its services to customers.

Conclusion

For the foregoing reasons, Hawaiian Telcom hereby request a waiver of Section 43.21(g) of the Commission's rules, 47 C.F.R. § 43.21(g), for the 2006 and 2007 ARMIS 43-05 Reports, due April 1, 2007 and 2008, and Section 43.21(j) of the Commission's rules, 47 C.F.R. § 43.21(j), for the 2007 ARMIS 43-08 Report, due April 1, 2008. Special circumstances justify this waiver, and a grant of the waiver would serve the public interest.

Respectfully submitted,

HAWAIIAN TELCOM, INC.

Richard Cameron

Karen Brinkmann
Richard R. Cameron
LATHAM & WATKINS LLP
555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004-1304
(202) 637-2200

Its Attorneys

February 21, 2007

Attachment 1

Representative Press Clippings

HonoluluAdvertiser.com

Updated at 2:42 p.m., Wednesday, November 15, 2006

Hawaiian Telcom: Glitches may persist until next year

BY Greg Wiles
Advertiser Staff Writer

It may be sometime next year before Hawaiian Telcom, the state's biggest telephone company, straightens out computer and other glitches that have given it a black eye with some customers and hindered some of its operations.

"There still remains a significant amount of work to be done," Michael Ruley, Hawaiian Telcom chief executive said today in a conference call with investors.

"It will be several quarters before we think we can return to a more normal operating mode than the one we're in today."

Hawaiian Telcom disclosed that its customer care, order management, billing and financial reporting systems are still not working properly because a management consultant hired to build its information technology systems, BearingPoint Inc. of MacLean, Va., hadn't delivered systems that were operating properly. Hawaiian Telcom relied on the systems when it took over operations from Verizon Communications Inc.

Since then, some customers have complained about billing errors, long wait times for reaching customer service representatives and other problems. Ruley said Hawaiian Telcom has hired other contractors and had employees work overtime to help resolve problems that include work orders getting lost and longer call handling times.

While it will take months before all of the systems are functioning properly, customers should be seeing progress, company spokesman Dan Smith said. The average customer service call hold time is down from 28 minutes in May to under 4 minutes now, he said. The company's goal is to have calls answered within 20 seconds.

"There have been improvements, but certainly not enough," Smith said.

"Our performance remains at an unacceptable level today," Ruley said.

A quarterly filing at the U.S. Securities and Exchange Commission shows the company has spent $11.3 million on outside consultants and services to resolve its back-office and information technology system problems.

Ruley said the company is in talks with BearingPoint about recovering some of what it's spent resolving the situation. BearingPoint has acknowledged there were delays in meeting deadlines at Hawaiian Telcom and that it was in discussions with the company.

Hawaiian Telcom was formed last year after Washington, D.C.-based Carlyle Group bought the phone company from Verizon for $1.6 billion. Under the terms of the sale, Hawaiian Telcom was to take over operations from Verizon in February. In its SEC filing, Hawaiian Telcom disclosed that it spent $22.3 million on a two-month extension with Verizon as it waited for BearingPoint to get systems built.

The Honolulu-based utility hasn't disclosed how much it is seeking in damages from BearingPoint. But Smith said the company's contract states that it can recover costs incurred because systems don't function properly.

Hawaiian Telcom also said yesterday that it won't start offering an Internet-based television service until the second half of next year. The company earlier had discussed offering the service by the end of December.

The company said the rollout is being delayed, in part to make sure it lines up the right features and functionality as technology evolves.

Reach Greg Wiles at 525-8088 or gwiles@honoluluadvertiser.com.

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72°F / Partly Cloudy

Star Bulletin .com

Vol. 11, Issue 172 - Wednesday, June 21, 2006

Billing woes overwhelm Hawaiian Telcom systems

The company recently hired 120 additional workers, but the extra help wasn't enough

By Stewart Yerton
syerton@starbulletin.com

Hawaiian Telcom's transition problems surged yesterday as a flood of calls from customers with billing inquiries overloaded the phone company's call center, leaving some callers unable to reach even a recorded message.

Hawaiian Telcom said it recently hired 120 additional workers to help field the mass of billing inquiries, but the extra help wasn't enough to deal with yesterday's calls. That left many customers receiving busy signals when they called the phone company. Hawaiian Telcom said the problems could persist through the week.

The problem is so severe that Hawaiian Telcom is asking customers who believe they received an erroneous bill to disregard the flaws, pay only what they actually owe and refrain from calling the company to discuss the errors.

The problems mark the latest bump for Hawaiian Telcom, which has transformed into a stand-alone company after the Carlyle Group last year paid $1.6 billion to buy the company from Verizon Communications. As a final step in the transition, Hawaiian Telcom in April established a new $100 million operations system to handle functions that Verizon previously had handled, such as billing.

Despite efforts to anticipate all potential problems and craft contingency plans to fix them quickly, Hawaiian Telcom has encountered almost continual glitches as it has moved to its new system. Although relatively minor, the problems have affected thousands of Hawaiian Telcom customers, threatening to alienate consumers even as the company tries to keep people from defecting from Hawaiian Telcom's wireline service to competing wireless or Internet telephone providers.

The latest problem involves billing cycles. Because of glitches with its new system, the company was about two weeks late sending out bills for April to many customers. This meant that some customers received those bills in late May, and therefore only recently sent in their payments for April. In the meantime, the company had sent out bills for May before it had received the April payments.

The result: Many customers who paid their April balances received May bills charging them for both April and May. So many customers have called with questions about the flawed bills that Hawaiian Telcom hasn't been able to field all of the calls.

Ann Nishida, a spokeswoman for Hawaiian Telcom, said that customers who appear to have been billed erroneously for April should simply ignore the charge and pay the balance for May. Customers using automated bill payment will not be double charged, regardless of what their bills say, Nishida said.

"Customers who have paid their previous month's bill should simply pay the current charges," she said. "They do not need to call the company."

The billing-cycle problems also may affect some customers' May charges being carried over to June bills, the company said. Hawaiian Telcom hopes to be back on its normal billing schedule in July.

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Attachment 2

Excerpts from Hawaiian Telcom Communications, Inc., Current Report (Form 8-K) (Feb. 8, 2007)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 5, 2007**

Hawaiian Telcom Communications, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**333-131152**	**16-1710376**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

1177 Bishop Street
Honolulu, Hawaii 96813
(Address of principal executive offices)

808-546-4511
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On February 7, 2007, the Company entered into a Settlement Agreement (the "Settlement Agreement") with BearingPoint, Inc. ("BE") to resolve certain disputes that have arisen between the Company and BE in connection with BE's performance under the Master Services Agreement (the "MSA") entered into between the parties dated as of August 6, 2004. Pursuant to the MSA, BE contracted to build and operate a new back-office and information technology infrastructure for the Company, which infrastructure was necessary to enable the Company to operate as a stand-alone provider of telecommunication services. Under the Settlement Agreement, which is effective as of February 6, 2007, BE will pay to the Company, on or before March 27, 2007, the aggregate amount of $52 million (the "Settlement Payment"), and BE has agreed to discharge previously-submitted invoices in an aggregate amount of approximately $29.6 million and other amounts otherwise payable to BE. The total benefit to the Company under the settlement includes the cash Settlement Payment and a reduction in accounts payable (approximately $40 million at January 31, 2007) associated with reversing amounts accrued under the Master Services Agreement. The Company anticipates that the settlement will be recorded in the first quarter of 2007.

The Settlement Agreement also provides for mutual releases of BE and the Company from all liability in connection with acts or omissions prior to the date of the Settlement Payment, other than certain customary indemnity obligations for any third-party claims for intellectual property infringement, as well as termination of the MSA upon payment of the Settlement Payment. If the Company terminates the Settlement Agreement due to the failure of BE to pay the Settlement Payment on or before March 27, 2007, the releases will not be effective and the Transition Agreement discussed below will terminate. Pending payment of the Settlement Payment, the MSA will be deemed suspended.

Contemporaneously with the execution and delivery of the Settlement Agreement, the Company and BE entered into a Transition Agreement, effective as of February 6, 2007 (the "Transition Agreement"), that provides for, among other things, the transfer of the services previously provided under the MSA to a successor provider. The Transition Agreement also will govern all future liability matters between the Company and BE (other than for those claims reserved in the Settlement Agreement). The Transition Agreement contemplates a transition period ending May 2, 2007 during which BE will provide transition services at no charge to the Company. If necessary, the Company has the option to extend the period during which BE provides services under the Transition Agreement for up to sixty (60) additional days, during which time BE would be compensated at agreed-upon rates, subject to certain exceptions.

In addition, the Company and Accenture LLP ("Accenture") entered into an Application Services Agreement, effective as of February 5, 2007 (the "Application Services Agreement"), pursuant to which Accenture has agreed to perform certain of the application development and management services previously covered by the MSA. Under the Application Services Agreement, the Company has agreed to pay up to $27.1 million for certain development servicesand $18.6 million for certain application management services, for a total contract value of up to $45.7 million.

The foregoing descriptions of the Settlement Agreement, Transition Agreement and Application Services Agreement do not purport to be complete and are qualified in their entirety by reference to the full texts of the Settlement Agreement, Transition Agreement and Application Services Agreement which are attached as Exhibits 10.1, 10.2 and 10.3, respectively, to this report and incorporated herein by reference.

Statements in this Form 8-K and the attached exhibits that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, without limitation, those described on page 16 of the Company's Form 10-Q for the period ending September 30, 2006.

Item 1.02 Termination of a Material Definitive Agreement.

As described in Item 1.01 above, the Master Services Agreement entered into between the Company and BearingPoint, Inc., dated as of August 6, 2004, will be terminated effective as of the date the Settlement Payment is paid (expected to be on or before March 27, 2007). The information contained in Item 1.01 of this report regarding the termination of the Master Services Agreement is incorporated herein by reference.

Item 8.01 Other Events.

On February 8, 2007, the Company issued a press release announcing its agreement with BearingPoint, Inc. to transfer the remainder of the work under the Master Services Agreement entered into between the parties dated as of August 6, 2004 to a successor provider, as well as a press release announcing its agreement with Accenture LLP to complete the development and deployment of the Company's key customer service and business support systems. Copies of these press releases are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Settlement Agreement effective as of February 6, 2007, by and among Hawaiian Telcom Communications, Inc, TC Group III, L.P., and BearingPoint, Inc.

10.2 Transition Agreement effective as of February 6, 2007, by and between Hawaiian Telcom Communications, Inc. and BearingPoint, Inc.

10.3 Application Services Agreement effective as of February 5, 2007, by and between Hawaiian Telcom Communications, Inc. and Accenture LLP.

99.1 Press release dated February 8, 2007, announcing Hawaiian Telcom Communications, Inc.'s agreement with BearingPoint, Inc. to transfer the remainder of the work under the Master Services Agreement to a successor provider.

99.2 Press release dated February 8, 2007, announcing Hawaiian Telcom Communications, Inc.'s agreement with Accenture LLP to complete the development and deployment of key customer service and business support systems.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 8, 2007

HAWAIIAN TELCOM COMMUNICATIONS, INC.

/s/ Alan M. Oshima

Alan M. Oshima
Senior Vice President, General Counsel
and Secretary

Exhibit 99.1

Hawaiian Telcom

News Release

For more information, contact:

Media
Dan Smith
808-546-3124
Daniel.Smith@hawaiiantel.com

Investor Relations
Brian Tanner
808-546-3442
Brian.Tanner@hawaiiantel.com

Hawaiian Telcom Announces IT Transition Agreement

HONOLULU (Feb. 8, 2007)– Hawaiian Telcom Communications, Inc. retained BearingPoint as of August 6, 2004 to design, build and operate various information technology systems. The parties have reached mutual agreement to transfer the remainder of the work to a third party. BearingPoint and Hawaiian Telcom will continue to work together during a transition period of approximately three to five months.

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Hawaiian Telcom

accenture

News Release
For more information, contact:

Media
Dan Smith
Hawaiian Telcom
808-546-3124
Daniel.Smith@hawaiiantel.com

Gary Morgenstern
Accenture
973-301-3347
gary.a.morgenstern@accenture.com

Investor Relations
Brian Tanner
Hawaiian Telcom
(808) 546-3442
Brian.Tanner @hawaiiantel.com

Hawaiian Telcom Contracts with Accenture
to Complete Systems Transformation
Firms sign agreement for development, deployment and maintenance of
key customer-service and business-operations capabilities

HONOLULU (Feb. 8, 2007) – Hawaiian Telcom Communications, Inc. today announced that it has contracted with Accenture to complete the development and deployment of Hawaiian Telcom's key customer service and business support systems.

Accenture is a leading global management consulting, technology services and outsourcing company. The firm has deep experience with similar work activities for many of the world's most successful telecommunications carriers. Accenture was first engaged by Hawaiian Telcom in August 2006 to assist with systems remediation. That successful engagement led to negotiations for Accenture to assume responsibility for the completion of Hawaiian Telcom's systems build-out, continued remediation of existing systems and ongoing systems development and maintenance.

The contract begins with a transition period, ending May 2, 2007, in which Accenture will assume responsibility in stages for currently ongoing systems activities.

The contract is valued at approximately $46 million and will run for 17 months. Roughly half of the contract's value is designated for remediation work such as improving order-to-billing workflow and enhancing productivity. The remainder is largely designated for ongoing systems maintenance over the contract's life.

"Accenture's proven track record and deep industry experience is a welcome and positive development for both customers and employees," said Michael Ruley, CEO of Hawaiian Telcom. "Our collaboration with Accenture will drive improved systems functionality, which we will use to improve customer satisfaction, launch aggressive marketing initiatives and reduce operating costs."

The agreement includes a well-defined governance process to manage the progress and focus of activities. The agreement also includes strong performance incentives that are tied to specific service quality and performance levels consistent with the telecommunications industry and with Hawaii Public Utilities Commission service requirements.

While the development and remediation work will not immediately change the way customers interact with Hawaiian Telcom, the two companies do expect to achieve steady service-level improvements following the transition period. Anticipated long-term benefits include enhanced customer service levels, improved sales and marketing capabilities, and more efficient business operations.

As part of the agreement, Accenture will staff its operation with several dozen employees working in Honolulu. Development facilities will be moved to Hawaiian Telcom's Honolulu headquarters. Additional software development and maintenance support resources will be located in existing Accenture Global Delivery Centers.

"We are pleased to have been selected by Hawaiian Telcom for this important project, and we look forward to helping them achieve their goals of quality customer service and highly efficient business operations," said Andy Zimmerman, Accenture's communications industry lead for North America.

Both companies said the agreement is effective immediately.

About Hawaiian Telcom

Hawaiian Telcom is the state's leading telecommunications provider, offering a wide spectrum of telecommunications products and services, which include local and long distance service, high-speed Internet, wireless services, and print directory and Internet directory services. The company's website is at www.hawaiiantel.com.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills, and technologies to help clients improve their performance. With approximately 146,000 people in 49 countries, the company generated net revenues of US$16.65 billion for the fiscal year ended Aug. 31, 2006. Its home page is www.accenture.com.

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